



Sen. Don Harmon

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1 AMENDMENT TO HOUSE BILL 2263

2 AMENDMENT NO. _____. Amend House Bill 2263 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Uncollected State Claims Act is amended by
5 adding Section 2.1 as follows:

6 (30 ILCS 205/2.1 new)

7 Sec. 2.1. Sale of debts certified as uncollectible. After
8 accounts have been certified by the Attorney General as
9 uncollectible pursuant to this Act, the State Comptroller may
10 sell the debts to one or more outside private vendors. Sales
11 shall be conducted under rules adopted by the State Comptroller
12 using a request for proposals procedure similar to that
13 procedure under the Illinois Procurement Code. The outside
14 private vendors shall remit to the State Comptroller the
15 purchase price for debts sold under this Section. The State
16 Comptroller shall deposit the money received under this Section

1 into the General Revenue Fund. This Section does not apply to
2 any tax debt owing to the Department of Revenue.

3 Section 10. The Illinois State Collection Act of 1986 is
4 amended by adding Section 9 as follows:

5 (30 ILCS 210/9 new)

6 Sec. 9. Deferral and compromise of past due debt.

7 (a) In this Section, "past due debt" means any debt owed to
8 the State that has been outstanding for more than 12 months.
9 "Past due debt" does not include any debt if any of the actions
10 required under this Section would violate federal law or
11 regulation.

12 (b) State agencies may enter into a deferred payment plan
13 for the purpose of satisfying a past due debt. The deferred
14 payment plan must meet the following requirements:

15 (1) The term of the deferred payment plan may not
16 exceed 2 years.

17 (2) The first payment of the deferred payment plan must
18 be at least 10% of the total amount due.

19 (3) All subsequent monthly payments for the deferred
20 payment plan must be assessed as equal monthly principal
21 payments, together with interest.

22 (4) The deferred payment plan must include interest at
23 a rate that is the same as the interest required under the
24 State Prompt Payment Act.

1 (5) The deferred payment plan must be approved by the
2 Secretary or Director of the State agency.

3 (c) State agencies may compromise past due debts. Any
4 action taken by a State agency to compromise a past due debt
5 must meet the following requirements:

6 (1) The amount of the compromised debt shall be no less
7 than 80% of the total of the past due debt.

8 (2) Once a past due debt has been compromised, the
9 debtor must remit to the State agency the total amount of
10 the compromised debt. However, the State agency may collect
11 the compromised debt through a payment plan not to exceed 6
12 months. If the State agency accepts the compromised debt
13 through a payment plan, then the compromised debt shall be
14 subject to the same rate of interest as required under the
15 State Prompt Payment Act.

16 (3) Before a State agency accepts a compromised debt,
17 the amount of the compromised debt must be approved by the
18 State Comptroller.

19 (d) State agencies may sell a past due debt to one or more
20 outside private vendors. Sales shall be conducted under rules
21 adopted by the State Comptroller using a request for proposals
22 procedure similar to that procedure under the Illinois
23 Procurement Code. The outside private vendors shall remit to
24 the State Agency the purchase price for debts sold under this
25 subsection.

26 (e) The State agency shall deposit all amounts received

1 under this Section into the General Revenue Fund.

2 (f) This Section does not apply to any tax debt owing to
3 the Department of Revenue.

4 Section 12. The Illinois Income Tax Act is amended by
5 changing Section 201 as follows:

6 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

7 Sec. 201. Tax Imposed.

8 (a) In general. A tax measured by net income is hereby
9 imposed on every individual, corporation, trust and estate for
10 each taxable year ending after July 31, 1969 on the privilege
11 of earning or receiving income in or as a resident of this
12 State. Such tax shall be in addition to all other occupation or
13 privilege taxes imposed by this State or by any municipal
14 corporation or political subdivision thereof.

15 (b) Rates. The tax imposed by subsection (a) of this
16 Section shall be determined as follows, except as adjusted by
17 subsection (d-1):

18 (1) In the case of an individual, trust or estate, for
19 taxable years ending prior to July 1, 1989, an amount equal
20 to 2 1/2% of the taxpayer's net income for the taxable
21 year.

22 (2) In the case of an individual, trust or estate, for
23 taxable years beginning prior to July 1, 1989 and ending
24 after June 30, 1989, an amount equal to the sum of (i) 2

1 1/2% of the taxpayer's net income for the period prior to
2 July 1, 1989, as calculated under Section 202.3, and (ii)
3 3% of the taxpayer's net income for the period after June
4 30, 1989, as calculated under Section 202.3.

5 (3) In the case of an individual, trust or estate, for
6 taxable years beginning after June 30, 1989, an amount
7 equal to 3% of the taxpayer's net income for the taxable
8 year.

9 (4) (Blank).

10 (5) (Blank).

11 (6) In the case of a corporation, for taxable years
12 ending prior to July 1, 1989, an amount equal to 4% of the
13 taxpayer's net income for the taxable year.

14 (7) In the case of a corporation, for taxable years
15 beginning prior to July 1, 1989 and ending after June 30,
16 1989, an amount equal to the sum of (i) 4% of the
17 taxpayer's net income for the period prior to July 1, 1989,
18 as calculated under Section 202.3, and (ii) 4.8% of the
19 taxpayer's net income for the period after June 30, 1989,
20 as calculated under Section 202.3.

21 (8) In the case of a corporation, for taxable years
22 beginning after June 30, 1989, an amount equal to 4.8% of
23 the taxpayer's net income for the taxable year.

24 (c) Personal Property Tax Replacement Income Tax.
25 Beginning on July 1, 1979 and thereafter, in addition to such
26 income tax, there is also hereby imposed the Personal Property

1 Tax Replacement Income Tax measured by net income on every
2 corporation (including Subchapter S corporations), partnership
3 and trust, for each taxable year ending after June 30, 1979.
4 Such taxes are imposed on the privilege of earning or receiving
5 income in or as a resident of this State. The Personal Property
6 Tax Replacement Income Tax shall be in addition to the income
7 tax imposed by subsections (a) and (b) of this Section and in
8 addition to all other occupation or privilege taxes imposed by
9 this State or by any municipal corporation or political
10 subdivision thereof.

11 (d) Additional Personal Property Tax Replacement Income
12 Tax Rates. The personal property tax replacement income tax
13 imposed by this subsection and subsection (c) of this Section
14 in the case of a corporation, other than a Subchapter S
15 corporation and except as adjusted by subsection (d-1), shall
16 be an additional amount equal to 2.85% of such taxpayer's net
17 income for the taxable year, except that beginning on January
18 1, 1981, and thereafter, the rate of 2.85% specified in this
19 subsection shall be reduced to 2.5%, and in the case of a
20 partnership, trust or a Subchapter S corporation shall be an
21 additional amount equal to 1.5% of such taxpayer's net income
22 for the taxable year.

23 (d-1) Rate reduction for certain foreign insurers. In the
24 case of a foreign insurer, as defined by Section 35A-5 of the
25 Illinois Insurance Code, whose state or country of domicile
26 imposes on insurers domiciled in Illinois a retaliatory tax

1 (excluding any insurer whose premiums from reinsurance assumed
2 are 50% or more of its total insurance premiums as determined
3 under paragraph (2) of subsection (b) of Section 304, except
4 that for purposes of this determination premiums from
5 reinsurance do not include premiums from inter-affiliate
6 reinsurance arrangements), beginning with taxable years ending
7 on or after December 31, 1999, the sum of the rates of tax
8 imposed by subsections (b) and (d) shall be reduced (but not
9 increased) to the rate at which the total amount of tax imposed
10 under this Act, net of all credits allowed under this Act,
11 shall equal (i) the total amount of tax that would be imposed
12 on the foreign insurer's net income allocable to Illinois for
13 the taxable year by such foreign insurer's state or country of
14 domicile if that net income were subject to all income taxes
15 and taxes measured by net income imposed by such foreign
16 insurer's state or country of domicile, net of all credits
17 allowed or (ii) a rate of zero if no such tax is imposed on such
18 income by the foreign insurer's state of domicile. For the
19 purposes of this subsection (d-1), an inter-affiliate includes
20 a mutual insurer under common management.

21 (1) For the purposes of subsection (d-1), in no event
22 shall the sum of the rates of tax imposed by subsections
23 (b) and (d) be reduced below the rate at which the sum of:

24 (A) the total amount of tax imposed on such foreign
25 insurer under this Act for a taxable year, net of all
26 credits allowed under this Act, plus

1 (B) the privilege tax imposed by Section 409 of the
2 Illinois Insurance Code, the fire insurance company
3 tax imposed by Section 12 of the Fire Investigation
4 Act, and the fire department taxes imposed under
5 Section 11-10-1 of the Illinois Municipal Code,
6 equals 1.25% for taxable years ending prior to December 31,
7 2003, or 1.75% for taxable years ending on or after
8 December 31, 2003, of the net taxable premiums written for
9 the taxable year, as described by subsection (1) of Section
10 409 of the Illinois Insurance Code. This paragraph will in
11 no event increase the rates imposed under subsections (b)
12 and (d).

13 (2) Any reduction in the rates of tax imposed by this
14 subsection shall be applied first against the rates imposed
15 by subsection (b) and only after the tax imposed by
16 subsection (a) net of all credits allowed under this
17 Section other than the credit allowed under subsection (i)
18 has been reduced to zero, against the rates imposed by
19 subsection (d).

20 This subsection (d-1) is exempt from the provisions of
21 Section 250.

22 (e) Investment credit. A taxpayer shall be allowed a credit
23 against the Personal Property Tax Replacement Income Tax for
24 investment in qualified property.

25 (1) A taxpayer shall be allowed a credit equal to .5%
26 of the basis of qualified property placed in service during

1 the taxable year, provided such property is placed in
2 service on or after July 1, 1984. There shall be allowed an
3 additional credit equal to .5% of the basis of qualified
4 property placed in service during the taxable year,
5 provided such property is placed in service on or after
6 July 1, 1986, and the taxpayer's base employment within
7 Illinois has increased by 1% or more over the preceding
8 year as determined by the taxpayer's employment records
9 filed with the Illinois Department of Employment Security.
10 Taxpayers who are new to Illinois shall be deemed to have
11 met the 1% growth in base employment for the first year in
12 which they file employment records with the Illinois
13 Department of Employment Security. The provisions added to
14 this Section by Public Act 85-1200 (and restored by Public
15 Act 87-895) shall be construed as declaratory of existing
16 law and not as a new enactment. If, in any year, the
17 increase in base employment within Illinois over the
18 preceding year is less than 1%, the additional credit shall
19 be limited to that percentage times a fraction, the
20 numerator of which is .5% and the denominator of which is
21 1%, but shall not exceed .5%. The investment credit shall
22 not be allowed to the extent that it would reduce a
23 taxpayer's liability in any tax year below zero, nor may
24 any credit for qualified property be allowed for any year
25 other than the year in which the property was placed in
26 service in Illinois. For tax years ending on or after

1 December 31, 1987, and on or before December 31, 1988, the
2 credit shall be allowed for the tax year in which the
3 property is placed in service, or, if the amount of the
4 credit exceeds the tax liability for that year, whether it
5 exceeds the original liability or the liability as later
6 amended, such excess may be carried forward and applied to
7 the tax liability of the 5 taxable years following the
8 excess credit years if the taxpayer (i) makes investments
9 which cause the creation of a minimum of 2,000 full-time
10 equivalent jobs in Illinois, (ii) is located in an
11 enterprise zone established pursuant to the Illinois
12 Enterprise Zone Act and (iii) is certified by the
13 Department of Commerce and Community Affairs (now
14 Department of Commerce and Economic Opportunity) as
15 complying with the requirements specified in clause (i) and
16 (ii) by July 1, 1986. The Department of Commerce and
17 Community Affairs (now Department of Commerce and Economic
18 Opportunity) shall notify the Department of Revenue of all
19 such certifications immediately. For tax years ending
20 after December 31, 1988, the credit shall be allowed for
21 the tax year in which the property is placed in service,
22 or, if the amount of the credit exceeds the tax liability
23 for that year, whether it exceeds the original liability or
24 the liability as later amended, such excess may be carried
25 forward and applied to the tax liability of the 5 taxable
26 years following the excess credit years. The credit shall

1 be applied to the earliest year for which there is a
2 liability. If there is credit from more than one tax year
3 that is available to offset a liability, earlier credit
4 shall be applied first.

5 (2) The term "qualified property" means property
6 which:

7 (A) is tangible, whether new or used, including
8 buildings and structural components of buildings and
9 signs that are real property, but not including land or
10 improvements to real property that are not a structural
11 component of a building such as landscaping, sewer
12 lines, local access roads, fencing, parking lots, and
13 other appurtenances;

14 (B) is depreciable pursuant to Section 167 of the
15 Internal Revenue Code, except that "3-year property"
16 as defined in Section 168(c)(2)(A) of that Code is not
17 eligible for the credit provided by this subsection
18 (e);

19 (C) is acquired by purchase as defined in Section
20 179(d) of the Internal Revenue Code;

21 (D) is used in Illinois by a taxpayer who is
22 primarily engaged in manufacturing, or in mining coal
23 or fluorite, or in retailing, or was placed in service
24 on or after July 1, 2006 in a River Edge Redevelopment
25 Zone established pursuant to the River Edge
26 Redevelopment Zone Act; and

1 (E) has not previously been used in Illinois in
2 such a manner and by such a person as would qualify for
3 the credit provided by this subsection (e) or
4 subsection (f).

5 (3) For purposes of this subsection (e),
6 "manufacturing" means the material staging and production
7 of tangible personal property by procedures commonly
8 regarded as manufacturing, processing, fabrication, or
9 assembling which changes some existing material into new
10 shapes, new qualities, or new combinations. For purposes of
11 this subsection (e) the term "mining" shall have the same
12 meaning as the term "mining" in Section 613(c) of the
13 Internal Revenue Code. For purposes of this subsection (e),
14 the term "retailing" means the sale of tangible personal
15 property for use or consumption and not for resale, or
16 services rendered in conjunction with the sale of tangible
17 personal property for use or consumption and not for
18 resale. For purposes of this subsection (e), "tangible
19 personal property" has the same meaning as when that term
20 is used in the Retailers' Occupation Tax Act, and, for
21 taxable years ending after December 31, 2008, does not
22 include the generation, transmission, or distribution of
23 electricity.

24 (4) The basis of qualified property shall be the basis
25 used to compute the depreciation deduction for federal
26 income tax purposes.

1 (5) If the basis of the property for federal income tax
2 depreciation purposes is increased after it has been placed
3 in service in Illinois by the taxpayer, the amount of such
4 increase shall be deemed property placed in service on the
5 date of such increase in basis.

6 (6) The term "placed in service" shall have the same
7 meaning as under Section 46 of the Internal Revenue Code.

8 (7) If during any taxable year, any property ceases to
9 be qualified property in the hands of the taxpayer within
10 48 months after being placed in service, or the situs of
11 any qualified property is moved outside Illinois within 48
12 months after being placed in service, the Personal Property
13 Tax Replacement Income Tax for such taxable year shall be
14 increased. Such increase shall be determined by (i)
15 recomputing the investment credit which would have been
16 allowed for the year in which credit for such property was
17 originally allowed by eliminating such property from such
18 computation and, (ii) subtracting such recomputed credit
19 from the amount of credit previously allowed. For the
20 purposes of this paragraph (7), a reduction of the basis of
21 qualified property resulting from a redetermination of the
22 purchase price shall be deemed a disposition of qualified
23 property to the extent of such reduction.

24 (8) Unless the investment credit is extended by law,
25 the basis of qualified property shall not include costs
26 incurred after December 31, 2013, except for costs incurred

1 pursuant to a binding contract entered into on or before
2 December 31, 2013.

3 (9) Each taxable year ending before December 31, 2000,
4 a partnership may elect to pass through to its partners the
5 credits to which the partnership is entitled under this
6 subsection (e) for the taxable year. A partner may use the
7 credit allocated to him or her under this paragraph only
8 against the tax imposed in subsections (c) and (d) of this
9 Section. If the partnership makes that election, those
10 credits shall be allocated among the partners in the
11 partnership in accordance with the rules set forth in
12 Section 704(b) of the Internal Revenue Code, and the rules
13 promulgated under that Section, and the allocated amount of
14 the credits shall be allowed to the partners for that
15 taxable year. The partnership shall make this election on
16 its Personal Property Tax Replacement Income Tax return for
17 that taxable year. The election to pass through the credits
18 shall be irrevocable.

19 For taxable years ending on or after December 31, 2000,
20 a partner that qualifies its partnership for a subtraction
21 under subparagraph (I) of paragraph (2) of subsection (d)
22 of Section 203 or a shareholder that qualifies a Subchapter
23 S corporation for a subtraction under subparagraph (S) of
24 paragraph (2) of subsection (b) of Section 203 shall be
25 allowed a credit under this subsection (e) equal to its
26 share of the credit earned under this subsection (e) during

1 the taxable year by the partnership or Subchapter S
2 corporation, determined in accordance with the
3 determination of income and distributive share of income
4 under Sections 702 and 704 and Subchapter S of the Internal
5 Revenue Code. This paragraph is exempt from the provisions
6 of Section 250.

7 (f) Investment credit; Enterprise Zone; River Edge
8 Redevelopment Zone.

9 (1) A taxpayer shall be allowed a credit against the
10 tax imposed by subsections (a) and (b) of this Section for
11 investment in qualified property which is placed in service
12 in an Enterprise Zone created pursuant to the Illinois
13 Enterprise Zone Act or, for property placed in service on
14 or after July 1, 2006, a River Edge Redevelopment Zone
15 established pursuant to the River Edge Redevelopment Zone
16 Act. For partners, shareholders of Subchapter S
17 corporations, and owners of limited liability companies,
18 if the liability company is treated as a partnership for
19 purposes of federal and State income taxation, there shall
20 be allowed a credit under this subsection (f) to be
21 determined in accordance with the determination of income
22 and distributive share of income under Sections 702 and 704
23 and Subchapter S of the Internal Revenue Code. The credit
24 shall be .5% of the basis for such property. The credit
25 shall be available only in the taxable year in which the
26 property is placed in service in the Enterprise Zone or

1 River Edge Redevelopment Zone and shall not be allowed to
2 the extent that it would reduce a taxpayer's liability for
3 the tax imposed by subsections (a) and (b) of this Section
4 to below zero. For tax years ending on or after December
5 31, 1985, the credit shall be allowed for the tax year in
6 which the property is placed in service, or, if the amount
7 of the credit exceeds the tax liability for that year,
8 whether it exceeds the original liability or the liability
9 as later amended, such excess may be carried forward and
10 applied to the tax liability of the 5 taxable years
11 following the excess credit year. The credit shall be
12 applied to the earliest year for which there is a
13 liability. If there is credit from more than one tax year
14 that is available to offset a liability, the credit
15 accruing first in time shall be applied first.

16 (2) The term qualified property means property which:

17 (A) is tangible, whether new or used, including
18 buildings and structural components of buildings;

19 (B) is depreciable pursuant to Section 167 of the
20 Internal Revenue Code, except that "3-year property"
21 as defined in Section 168(c)(2)(A) of that Code is not
22 eligible for the credit provided by this subsection
23 (f);

24 (C) is acquired by purchase as defined in Section
25 179(d) of the Internal Revenue Code;

26 (D) is used in the Enterprise Zone or River Edge

1 Redevelopment Zone by the taxpayer; and

2 (E) has not been previously used in Illinois in
3 such a manner and by such a person as would qualify for
4 the credit provided by this subsection (f) or
5 subsection (e).

6 (3) The basis of qualified property shall be the basis
7 used to compute the depreciation deduction for federal
8 income tax purposes.

9 (4) If the basis of the property for federal income tax
10 depreciation purposes is increased after it has been placed
11 in service in the Enterprise Zone or River Edge
12 Redevelopment Zone by the taxpayer, the amount of such
13 increase shall be deemed property placed in service on the
14 date of such increase in basis.

15 (5) The term "placed in service" shall have the same
16 meaning as under Section 46 of the Internal Revenue Code.

17 (6) If during any taxable year, any property ceases to
18 be qualified property in the hands of the taxpayer within
19 48 months after being placed in service, or the situs of
20 any qualified property is moved outside the Enterprise Zone
21 or River Edge Redevelopment Zone within 48 months after
22 being placed in service, the tax imposed under subsections
23 (a) and (b) of this Section for such taxable year shall be
24 increased. Such increase shall be determined by (i)
25 recomputing the investment credit which would have been
26 allowed for the year in which credit for such property was

1 originally allowed by eliminating such property from such
2 computation, and (ii) subtracting such recomputed credit
3 from the amount of credit previously allowed. For the
4 purposes of this paragraph (6), a reduction of the basis of
5 qualified property resulting from a redetermination of the
6 purchase price shall be deemed a disposition of qualified
7 property to the extent of such reduction.

8 (7) There shall be allowed an additional credit equal
9 to 0.5% of the basis of qualified property placed in
10 service during the taxable year in a River Edge
11 Redevelopment Zone, provided such property is placed in
12 service on or after July 1, 2006, and the taxpayer's base
13 employment within Illinois has increased by 1% or more over
14 the preceding year as determined by the taxpayer's
15 employment records filed with the Illinois Department of
16 Employment Security. Taxpayers who are new to Illinois
17 shall be deemed to have met the 1% growth in base
18 employment for the first year in which they file employment
19 records with the Illinois Department of Employment
20 Security. If, in any year, the increase in base employment
21 within Illinois over the preceding year is less than 1%,
22 the additional credit shall be limited to that percentage
23 times a fraction, the numerator of which is 0.5% and the
24 denominator of which is 1%, but shall not exceed 0.5%.

25 (g) Jobs Tax Credit; Enterprise Zone, River Edge
26 Redevelopment Zone, and Foreign Trade Zone or Sub-Zone.

1 (1) A taxpayer conducting a trade or business in an
2 enterprise zone or a High Impact Business designated by the
3 Department of Commerce and Economic Opportunity or for
4 taxable years ending on or after December 31, 2006, in a
5 River Edge Redevelopment Zone conducting a trade or
6 business in a federally designated Foreign Trade Zone or
7 Sub-Zone shall be allowed a credit against the tax imposed
8 by subsections (a) and (b) of this Section in the amount of
9 \$500 per eligible employee hired to work in the zone during
10 the taxable year.

11 (2) To qualify for the credit:

12 (A) the taxpayer must hire 5 or more eligible
13 employees to work in an enterprise zone, River Edge
14 Redevelopment Zone, or federally designated Foreign
15 Trade Zone or Sub-Zone during the taxable year;

16 (B) the taxpayer's total employment within the
17 enterprise zone, River Edge Redevelopment Zone, or
18 federally designated Foreign Trade Zone or Sub-Zone
19 must increase by 5 or more full-time employees beyond
20 the total employed in that zone at the end of the
21 previous tax year for which a jobs tax credit under
22 this Section was taken, or beyond the total employed by
23 the taxpayer as of December 31, 1985, whichever is
24 later; and

25 (C) the eligible employees must be employed 180
26 consecutive days in order to be deemed hired for

1 purposes of this subsection.

2 (3) An "eligible employee" means an employee who is:

3 (A) Certified by the Department of Commerce and
4 Economic Opportunity as "eligible for services"
5 pursuant to regulations promulgated in accordance with
6 Title II of the Job Training Partnership Act, Training
7 Services for the Disadvantaged or Title III of the Job
8 Training Partnership Act, Employment and Training
9 Assistance for Dislocated Workers Program.

10 (B) Hired after the enterprise zone, River Edge
11 Redevelopment Zone, or federally designated Foreign
12 Trade Zone or Sub-Zone was designated or the trade or
13 business was located in that zone, whichever is later.

14 (C) Employed in the enterprise zone, River Edge
15 Redevelopment Zone, or Foreign Trade Zone or Sub-Zone.
16 An employee is employed in an enterprise zone or
17 federally designated Foreign Trade Zone or Sub-Zone if
18 his services are rendered there or it is the base of
19 operations for the services performed.

20 (D) A full-time employee working 30 or more hours
21 per week.

22 (4) For tax years ending on or after December 31, 1985
23 and prior to December 31, 1988, the credit shall be allowed
24 for the tax year in which the eligible employees are hired.
25 For tax years ending on or after December 31, 1988, the
26 credit shall be allowed for the tax year immediately

1 following the tax year in which the eligible employees are
2 hired. If the amount of the credit exceeds the tax
3 liability for that year, whether it exceeds the original
4 liability or the liability as later amended, such excess
5 may be carried forward and applied to the tax liability of
6 the 5 taxable years following the excess credit year. The
7 credit shall be applied to the earliest year for which
8 there is a liability. If there is credit from more than one
9 tax year that is available to offset a liability, earlier
10 credit shall be applied first.

11 (5) The Department of Revenue shall promulgate such
12 rules and regulations as may be deemed necessary to carry
13 out the purposes of this subsection (g).

14 (6) The credit shall be available for eligible
15 employees hired on or after January 1, 1986.

16 (h) Investment credit; High Impact Business.

17 (1) Subject to subsections (b) and (b-5) of Section 5.5
18 of the Illinois Enterprise Zone Act, a taxpayer shall be
19 allowed a credit against the tax imposed by subsections (a)
20 and (b) of this Section for investment in qualified
21 property which is placed in service by a Department of
22 Commerce and Economic Opportunity designated High Impact
23 Business. The credit shall be .5% of the basis for such
24 property. The credit shall not be available (i) until the
25 minimum investments in qualified property set forth in
26 subdivision (a)(3)(A) of Section 5.5 of the Illinois

1 Enterprise Zone Act have been satisfied or (ii) until the
2 time authorized in subsection (b-5) of the Illinois
3 Enterprise Zone Act for entities designated as High Impact
4 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
5 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
6 Act, and shall not be allowed to the extent that it would
7 reduce a taxpayer's liability for the tax imposed by
8 subsections (a) and (b) of this Section to below zero. The
9 credit applicable to such investments shall be taken in the
10 taxable year in which such investments have been completed.
11 The credit for additional investments beyond the minimum
12 investment by a designated high impact business authorized
13 under subdivision (a)(3)(A) of Section 5.5 of the Illinois
14 Enterprise Zone Act shall be available only in the taxable
15 year in which the property is placed in service and shall
16 not be allowed to the extent that it would reduce a
17 taxpayer's liability for the tax imposed by subsections (a)
18 and (b) of this Section to below zero. For tax years ending
19 on or after December 31, 1987, the credit shall be allowed
20 for the tax year in which the property is placed in
21 service, or, if the amount of the credit exceeds the tax
22 liability for that year, whether it exceeds the original
23 liability or the liability as later amended, such excess
24 may be carried forward and applied to the tax liability of
25 the 5 taxable years following the excess credit year. The
26 credit shall be applied to the earliest year for which

1 there is a liability. If there is credit from more than one
2 tax year that is available to offset a liability, the
3 credit accruing first in time shall be applied first.

4 Changes made in this subdivision (h) (1) by Public Act
5 88-670 restore changes made by Public Act 85-1182 and
6 reflect existing law.

7 (2) The term qualified property means property which:

8 (A) is tangible, whether new or used, including
9 buildings and structural components of buildings;

10 (B) is depreciable pursuant to Section 167 of the
11 Internal Revenue Code, except that "3-year property"
12 as defined in Section 168(c) (2) (A) of that Code is not
13 eligible for the credit provided by this subsection
14 (h);

15 (C) is acquired by purchase as defined in Section
16 179(d) of the Internal Revenue Code; and

17 (D) is not eligible for the Enterprise Zone
18 Investment Credit provided by subsection (f) of this
19 Section.

20 (3) The basis of qualified property shall be the basis
21 used to compute the depreciation deduction for federal
22 income tax purposes.

23 (4) If the basis of the property for federal income tax
24 depreciation purposes is increased after it has been placed
25 in service in a federally designated Foreign Trade Zone or
26 Sub-Zone located in Illinois by the taxpayer, the amount of

1 such increase shall be deemed property placed in service on
2 the date of such increase in basis.

3 (5) The term "placed in service" shall have the same
4 meaning as under Section 46 of the Internal Revenue Code.

5 (6) If during any taxable year ending on or before
6 December 31, 1996, any property ceases to be qualified
7 property in the hands of the taxpayer within 48 months
8 after being placed in service, or the situs of any
9 qualified property is moved outside Illinois within 48
10 months after being placed in service, the tax imposed under
11 subsections (a) and (b) of this Section for such taxable
12 year shall be increased. Such increase shall be determined
13 by (i) recomputing the investment credit which would have
14 been allowed for the year in which credit for such property
15 was originally allowed by eliminating such property from
16 such computation, and (ii) subtracting such recomputed
17 credit from the amount of credit previously allowed. For
18 the purposes of this paragraph (6), a reduction of the
19 basis of qualified property resulting from a
20 redetermination of the purchase price shall be deemed a
21 disposition of qualified property to the extent of such
22 reduction.

23 (7) Beginning with tax years ending after December 31,
24 1996, if a taxpayer qualifies for the credit under this
25 subsection (h) and thereby is granted a tax abatement and
26 the taxpayer relocates its entire facility in violation of

1 the explicit terms and length of the contract under Section
2 18-183 of the Property Tax Code, the tax imposed under
3 subsections (a) and (b) of this Section shall be increased
4 for the taxable year in which the taxpayer relocated its
5 facility by an amount equal to the amount of credit
6 received by the taxpayer under this subsection (h).

7 (i) Credit for Personal Property Tax Replacement Income
8 Tax. For tax years ending prior to December 31, 2003, a credit
9 shall be allowed against the tax imposed by subsections (a) and
10 (b) of this Section for the tax imposed by subsections (c) and
11 (d) of this Section. This credit shall be computed by
12 multiplying the tax imposed by subsections (c) and (d) of this
13 Section by a fraction, the numerator of which is base income
14 allocable to Illinois and the denominator of which is Illinois
15 base income, and further multiplying the product by the tax
16 rate imposed by subsections (a) and (b) of this Section.

17 Any credit earned on or after December 31, 1986 under this
18 subsection which is unused in the year the credit is computed
19 because it exceeds the tax liability imposed by subsections (a)
20 and (b) for that year (whether it exceeds the original
21 liability or the liability as later amended) may be carried
22 forward and applied to the tax liability imposed by subsections
23 (a) and (b) of the 5 taxable years following the excess credit
24 year, provided that no credit may be carried forward to any
25 year ending on or after December 31, 2003. This credit shall be
26 applied first to the earliest year for which there is a

1 liability. If there is a credit under this subsection from more
2 than one tax year that is available to offset a liability the
3 earliest credit arising under this subsection shall be applied
4 first.

5 If, during any taxable year ending on or after December 31,
6 1986, the tax imposed by subsections (c) and (d) of this
7 Section for which a taxpayer has claimed a credit under this
8 subsection (i) is reduced, the amount of credit for such tax
9 shall also be reduced. Such reduction shall be determined by
10 recomputing the credit to take into account the reduced tax
11 imposed by subsections (c) and (d). If any portion of the
12 reduced amount of credit has been carried to a different
13 taxable year, an amended return shall be filed for such taxable
14 year to reduce the amount of credit claimed.

15 (j) Training expense credit. Beginning with tax years
16 ending on or after December 31, 1986 and prior to December 31,
17 2003, a taxpayer shall be allowed a credit against the tax
18 imposed by subsections (a) and (b) under this Section for all
19 amounts paid or accrued, on behalf of all persons employed by
20 the taxpayer in Illinois or Illinois residents employed outside
21 of Illinois by a taxpayer, for educational or vocational
22 training in semi-technical or technical fields or semi-skilled
23 or skilled fields, which were deducted from gross income in the
24 computation of taxable income. The credit against the tax
25 imposed by subsections (a) and (b) shall be 1.6% of such
26 training expenses. For partners, shareholders of subchapter S

1 corporations, and owners of limited liability companies, if the
2 liability company is treated as a partnership for purposes of
3 federal and State income taxation, there shall be allowed a
4 credit under this subsection (j) to be determined in accordance
5 with the determination of income and distributive share of
6 income under Sections 702 and 704 and subchapter S of the
7 Internal Revenue Code.

8 Any credit allowed under this subsection which is unused in
9 the year the credit is earned may be carried forward to each of
10 the 5 taxable years following the year for which the credit is
11 first computed until it is used. This credit shall be applied
12 first to the earliest year for which there is a liability. If
13 there is a credit under this subsection from more than one tax
14 year that is available to offset a liability the earliest
15 credit arising under this subsection shall be applied first. No
16 carryforward credit may be claimed in any tax year ending on or
17 after December 31, 2003.

18 (k) Research and development credit.

19 For tax years ending after July 1, 1990 and prior to
20 December 31, 2003, and beginning again for tax years ending on
21 or after December 31, 2004, and ending prior to January 1,
22 2011, a taxpayer shall be allowed a credit against the tax
23 imposed by subsections (a) and (b) of this Section for
24 increasing research activities in this State. The credit
25 allowed against the tax imposed by subsections (a) and (b)
26 shall be equal to 6 1/2% of the qualifying expenditures for

1 increasing research activities in this State. For partners,
2 shareholders of subchapter S corporations, and owners of
3 limited liability companies, if the liability company is
4 treated as a partnership for purposes of federal and State
5 income taxation, there shall be allowed a credit under this
6 subsection to be determined in accordance with the
7 determination of income and distributive share of income under
8 Sections 702 and 704 and subchapter S of the Internal Revenue
9 Code.

10 For purposes of this subsection, "qualifying expenditures"
11 means the qualifying expenditures as defined for the federal
12 credit for increasing research activities which would be
13 allowable under Section 41 of the Internal Revenue Code and
14 which are conducted in this State, "qualifying expenditures for
15 increasing research activities in this State" means the excess
16 of qualifying expenditures for the taxable year in which
17 incurred over qualifying expenditures for the base period,
18 "qualifying expenditures for the base period" means the average
19 of the qualifying expenditures for each year in the base
20 period, and "base period" means the 3 taxable years immediately
21 preceding the taxable year for which the determination is being
22 made.

23 Any credit in excess of the tax liability for the taxable
24 year may be carried forward. A taxpayer may elect to have the
25 unused credit shown on its final completed return carried over
26 as a credit against the tax liability for the following 5

1 taxable years or until it has been fully used, whichever occurs
2 first; provided that no credit earned in a tax year ending
3 prior to December 31, 2003 may be carried forward to any year
4 ending on or after December 31, 2003, and no credit may be
5 carried forward to any taxable year ending on or after January
6 1, 2011.

7 If an unused credit is carried forward to a given year from
8 2 or more earlier years, that credit arising in the earliest
9 year will be applied first against the tax liability for the
10 given year. If a tax liability for the given year still
11 remains, the credit from the next earliest year will then be
12 applied, and so on, until all credits have been used or no tax
13 liability for the given year remains. Any remaining unused
14 credit or credits then will be carried forward to the next
15 following year in which a tax liability is incurred, except
16 that no credit can be carried forward to a year which is more
17 than 5 years after the year in which the expense for which the
18 credit is given was incurred.

19 No inference shall be drawn from this amendatory Act of the
20 91st General Assembly in construing this Section for taxable
21 years beginning before January 1, 1999.

22 (1) Environmental Remediation Tax Credit.

23 (i) For tax years ending after December 31, 1997 and on
24 or before December 31, 2001, a taxpayer shall be allowed a
25 credit against the tax imposed by subsections (a) and (b)
26 of this Section for certain amounts paid for unreimbursed

1 eligible remediation costs, as specified in this
2 subsection. For purposes of this Section, "unreimbursed
3 eligible remediation costs" means costs approved by the
4 Illinois Environmental Protection Agency ("Agency") under
5 Section 58.14 of the Environmental Protection Act that were
6 paid in performing environmental remediation at a site for
7 which a No Further Remediation Letter was issued by the
8 Agency and recorded under Section 58.10 of the
9 Environmental Protection Act. The credit must be claimed
10 for the taxable year in which Agency approval of the
11 eligible remediation costs is granted. The credit is not
12 available to any taxpayer if the taxpayer or any related
13 party caused or contributed to, in any material respect, a
14 release of regulated substances on, in, or under the site
15 that was identified and addressed by the remedial action
16 pursuant to the Site Remediation Program of the
17 Environmental Protection Act. After the Pollution Control
18 Board rules are adopted pursuant to the Illinois
19 Administrative Procedure Act for the administration and
20 enforcement of Section 58.9 of the Environmental
21 Protection Act, determinations as to credit availability
22 for purposes of this Section shall be made consistent with
23 those rules. For purposes of this Section, "taxpayer"
24 includes a person whose tax attributes the taxpayer has
25 succeeded to under Section 381 of the Internal Revenue Code
26 and "related party" includes the persons disallowed a

1 deduction for losses by paragraphs (b), (c), and (f)(1) of
2 Section 267 of the Internal Revenue Code by virtue of being
3 a related taxpayer, as well as any of its partners. The
4 credit allowed against the tax imposed by subsections (a)
5 and (b) shall be equal to 25% of the unreimbursed eligible
6 remediation costs in excess of \$100,000 per site, except
7 that the \$100,000 threshold shall not apply to any site
8 contained in an enterprise zone as determined by the
9 Department of Commerce and Community Affairs (now
10 Department of Commerce and Economic Opportunity). The
11 total credit allowed shall not exceed \$40,000 per year with
12 a maximum total of \$150,000 per site. For partners and
13 shareholders of subchapter S corporations, there shall be
14 allowed a credit under this subsection to be determined in
15 accordance with the determination of income and
16 distributive share of income under Sections 702 and 704 and
17 subchapter S of the Internal Revenue Code.

18 (ii) A credit allowed under this subsection that is
19 unused in the year the credit is earned may be carried
20 forward to each of the 5 taxable years following the year
21 for which the credit is first earned until it is used. The
22 term "unused credit" does not include any amounts of
23 unreimbursed eligible remediation costs in excess of the
24 maximum credit per site authorized under paragraph (i).
25 This credit shall be applied first to the earliest year for
26 which there is a liability. If there is a credit under this

1 subsection from more than one tax year that is available to
2 offset a liability, the earliest credit arising under this
3 subsection shall be applied first. A credit allowed under
4 this subsection may be sold to a buyer as part of a sale of
5 all or part of the remediation site for which the credit
6 was granted. The purchaser of a remediation site and the
7 tax credit shall succeed to the unused credit and remaining
8 carry-forward period of the seller. To perfect the
9 transfer, the assignor shall record the transfer in the
10 chain of title for the site and provide written notice to
11 the Director of the Illinois Department of Revenue of the
12 assignor's intent to sell the remediation site and the
13 amount of the tax credit to be transferred as a portion of
14 the sale. In no event may a credit be transferred to any
15 taxpayer if the taxpayer or a related party would not be
16 eligible under the provisions of subsection (i).

17 (iii) For purposes of this Section, the term "site"
18 shall have the same meaning as under Section 58.2 of the
19 Environmental Protection Act.

20 (m) Education expense credit. Beginning with tax years
21 ending after December 31, 1999, a taxpayer who is the custodian
22 of one or more qualifying pupils shall be allowed a credit
23 against the tax imposed by subsections (a) and (b) of this
24 Section for qualified education expenses incurred on behalf of
25 the qualifying pupils. The credit shall be equal to 25% of
26 qualified education expenses, but in no event may the total

1 credit under this subsection claimed by a family that is the
2 custodian of qualifying pupils exceed \$500. In no event shall a
3 credit under this subsection reduce the taxpayer's liability
4 under this Act to less than zero. This subsection is exempt
5 from the provisions of Section 250 of this Act.

6 For purposes of this subsection:

7 "Qualifying pupils" means individuals who (i) are
8 residents of the State of Illinois, (ii) are under the age of
9 21 at the close of the school year for which a credit is
10 sought, and (iii) during the school year for which a credit is
11 sought were full-time pupils enrolled in a kindergarten through
12 twelfth grade education program at any school, as defined in
13 this subsection.

14 "Qualified education expense" means the amount incurred on
15 behalf of a qualifying pupil in excess of \$250 for tuition,
16 book fees, and lab fees at the school in which the pupil is
17 enrolled during the regular school year.

18 "School" means any public or nonpublic elementary or
19 secondary school in Illinois that is in compliance with Title
20 VI of the Civil Rights Act of 1964 and attendance at which
21 satisfies the requirements of Section 26-1 of the School Code,
22 except that nothing shall be construed to require a child to
23 attend any particular public or nonpublic school to qualify for
24 the credit under this Section.

25 "Custodian" means, with respect to qualifying pupils, an
26 Illinois resident who is a parent, the parents, a legal

1 guardian, or the legal guardians of the qualifying pupils.

2 (n) River Edge Redevelopment Zone site remediation tax
3 credit.

4 (i) For tax years ending on or after December 31, 2006,
5 a taxpayer shall be allowed a credit against the tax
6 imposed by subsections (a) and (b) of this Section for
7 certain amounts paid for unreimbursed eligible remediation
8 costs, as specified in this subsection. For purposes of
9 this Section, "unreimbursed eligible remediation costs"
10 means costs approved by the Illinois Environmental
11 Protection Agency ("Agency") under Section 58.14a of the
12 Environmental Protection Act that were paid in performing
13 environmental remediation at a site within a River Edge
14 Redevelopment Zone for which a No Further Remediation
15 Letter was issued by the Agency and recorded under Section
16 58.10 of the Environmental Protection Act. The credit must
17 be claimed for the taxable year in which Agency approval of
18 the eligible remediation costs is granted. The credit is
19 not available to any taxpayer if the taxpayer or any
20 related party caused or contributed to, in any material
21 respect, a release of regulated substances on, in, or under
22 the site that was identified and addressed by the remedial
23 action pursuant to the Site Remediation Program of the
24 Environmental Protection Act. Determinations as to credit
25 availability for purposes of this Section shall be made
26 consistent with rules adopted by the Pollution Control

1 Board pursuant to the Illinois Administrative Procedure
2 Act for the administration and enforcement of Section 58.9
3 of the Environmental Protection Act. For purposes of this
4 Section, "taxpayer" includes a person whose tax attributes
5 the taxpayer has succeeded to under Section 381 of the
6 Internal Revenue Code and "related party" includes the
7 persons disallowed a deduction for losses by paragraphs
8 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
9 Code by virtue of being a related taxpayer, as well as any
10 of its partners. The credit allowed against the tax imposed
11 by subsections (a) and (b) shall be equal to 25% of the
12 unreimbursed eligible remediation costs in excess of
13 \$100,000 per site.

14 (ii) A credit allowed under this subsection that is
15 unused in the year the credit is earned may be carried
16 forward to each of the 5 taxable years following the year
17 for which the credit is first earned until it is used. This
18 credit shall be applied first to the earliest year for
19 which there is a liability. If there is a credit under this
20 subsection from more than one tax year that is available to
21 offset a liability, the earliest credit arising under this
22 subsection shall be applied first. A credit allowed under
23 this subsection may be sold to a buyer as part of a sale of
24 all or part of the remediation site for which the credit
25 was granted. The purchaser of a remediation site and the
26 tax credit shall succeed to the unused credit and remaining

1 carry-forward period of the seller. To perfect the
2 transfer, the assignor shall record the transfer in the
3 chain of title for the site and provide written notice to
4 the Director of the Illinois Department of Revenue of the
5 assignor's intent to sell the remediation site and the
6 amount of the tax credit to be transferred as a portion of
7 the sale. In no event may a credit be transferred to any
8 taxpayer if the taxpayer or a related party would not be
9 eligible under the provisions of subsection (i).

10 (iii) For purposes of this Section, the term "site"
11 shall have the same meaning as under Section 58.2 of the
12 Environmental Protection Act.

13 (iv) This subsection is exempt from the provisions of
14 Section 250.

15 (Source: P.A. 95-454, eff. 8-27-07; 96-115, eff. 7-31-09;
16 96-116, eff. 7-31-09; revised 8-20-09.)

17 Section 15. The Tax Delinquency Amnesty Act is amended by
18 changing Section 10 as follows:

19 (35 ILCS 745/10)

20 Sec. 10. Amnesty program. The Department shall establish an
21 amnesty program for all taxpayers owing any tax imposed by
22 reason of or pursuant to authorization by any law of the State
23 of Illinois and collected by the Department.

24 The amnesty program shall be for a period from October 1,

1 2003 through November 15, 2003 and for a period beginning on
2 October 1, 2010 and ending November 15, 2010.

3 The amnesty program shall provide that, upon payment by a
4 taxpayer of all taxes due from that taxpayer to the State of
5 Illinois for any taxable period ending (i) after June 30, 1983
6 and prior to July 1, 2002 for the tax amnesty period occurring
7 from October 1, 2003 through November 15, 2003, and (ii) after
8 June 30, 2002 and prior to July 1, 2009 for the tax amnesty
9 period beginning on October 1, 2010 through November 15, 2010,
10 the Department shall abate and not seek to collect any interest
11 or penalties that may be applicable and the Department shall
12 not seek civil or criminal prosecution for any taxpayer for the
13 period of time for which amnesty has been granted to the
14 taxpayer. Failure to pay all taxes due to the State for a
15 taxable period shall invalidate any amnesty granted under this
16 Act. Amnesty shall be granted only if all amnesty conditions
17 are satisfied by the taxpayer.

18 Participation in an amnesty program does not preclude a
19 taxpayer from claiming a refund for overpayment of tax on an
20 issue unrelated to the issue for which the taxpayer claimed
21 amnesty or for any overpayment of tax by a taxpayer estimating
22 non-final liability for the amnesty program pursuant to Section
23 506(b) of the Illinois Income Tax Act.

24 Amnesty shall not be granted to taxpayers who are a party
25 to any criminal investigation or to any civil or criminal
26 litigation that is pending in any circuit court or appellate

1 court or the Supreme Court of this State for nonpayment,
2 delinquency, or fraud in relation to any State tax imposed by
3 any law of the State of Illinois.

4 Voluntary payments made under this Act shall be made by
5 cash, check, guaranteed remittance, or ACH debit.

6 The Department shall adopt rules as necessary to implement
7 the provisions of this Act.

8 Except as otherwise provided in this Section, all money
9 collected under this Act that would otherwise be deposited into
10 the General Revenue Fund shall be deposited as follows: (i)
11 one-half into the Common School Fund; (ii) one-half into the
12 General Revenue Fund. Two percent of all money collected under
13 this Act shall be deposited by the State Treasurer into the Tax
14 Compliance and Administration Fund and, subject to
15 appropriation, shall be used by the Department to cover costs
16 associated with the administration of this Act.

17 (Source: P.A. 93-26, eff. 6-20-03.)

18 Section 20. The Uniform Penalty and Interest Act is amended
19 by changing Sections 3-2, 3-3, 3-4, 3-5, 3-6, and 3-7.5 as
20 follows:

21 (35 ILCS 735/3-2) (from Ch. 120, par. 2603-2)

22 Sec. 3-2. Interest.

23 (a) Interest paid by the Department to taxpayers and
24 interest charged to taxpayers by the Department shall be paid

1 at the annual rate determined by the Department. For periods
2 prior to January 1, 2004, that rate shall be the underpayment
3 rate established under Section 6621 of the Internal Revenue
4 Code. For periods after December 31, 2003, that rate shall be:

5 (1) for the one-year period beginning with the date of
6 underpayment or overpayment, the short-term federal rate
7 established under Section 6621 of the Internal Revenue
8 Code.

9 (2) for any period beginning the day after the one-year
10 period described in paragraph (1) of this subsection (a),
11 the underpayment rate established under Section 6621 of the
12 Internal Revenue Code.

13 (b) The interest rate shall be adjusted on a semiannual
14 basis, on January 1 and July 1, based upon the underpayment
15 rate or short-term federal rate going into effect on that
16 January 1 or July 1 under Section 6621 of the Internal Revenue
17 Code.

18 (c) This subsection (c) is applicable to returns due on and
19 before December 31, 2000. Interest shall be simple interest
20 calculated on a daily basis. Interest shall accrue upon tax and
21 penalty due. If notice and demand is made for the payment of
22 any amount of tax due and if the amount due is paid within 30
23 days after the date of such notice and demand, interest under
24 this Section on the amount so paid shall not be imposed for the
25 period after the date of the notice and demand.

26 (c-5) This subsection (c-5) is applicable to returns due on

1 and after January 1, 2001. Interest shall be simple interest
2 calculated on a daily basis. Interest shall accrue upon tax
3 due. If notice and demand is made for the payment of any amount
4 of tax due and if the amount due is paid within 30 days after
5 the date of the notice and demand, interest under this Section
6 on the amount so paid shall not be imposed for the period after
7 the date of the notice and demand.

8 (d) No interest shall be paid upon any overpayment of tax
9 if the overpayment is refunded or a credit approved within 90
10 days after the last date prescribed for filing the original
11 return, or within 90 days of the receipt of the processable
12 return, or within 90 days after the date of overpayment,
13 whichever date is latest, as determined without regard to
14 processing time by the Comptroller or without regard to the
15 date on which the credit is applied to the taxpayer's account.
16 In order for an original return to be processable for purposes
17 of this Section, it must be in the form prescribed or approved
18 by the Department, signed by the person authorized by law, and
19 contain all information, schedules, and support documents
20 necessary to determine the tax due and to make allocations of
21 tax as prescribed by law. For the purposes of computing
22 interest, a return shall be deemed to be processable unless the
23 Department notifies the taxpayer that the return is not
24 processable within 90 days after the receipt of the return;
25 however, interest shall not accumulate for the period following
26 this date of notice. Interest on amounts refunded or credited

1 pursuant to the filing of an amended return or claim for refund
2 shall be determined from the due date of the original return or
3 the date of overpayment, whichever is later, to the date of
4 payment by the Department without regard to processing time by
5 the Comptroller or the date of credit by the Department or
6 without regard to the date on which the credit is applied to
7 the taxpayer's account. If a claim for refund relates to an
8 overpayment attributable to a net loss carryback as provided by
9 Section 207 of the Illinois Income Tax Act, the date of
10 overpayment shall be the last day of the taxable year in which
11 the loss was incurred.

12 (e) Interest on erroneous refunds. Any portion of the tax
13 imposed by an Act to which this Act is applicable or any
14 interest or penalty which has been erroneously refunded and
15 which is recoverable by the Department shall bear interest from
16 the date of payment of the refund. However, no interest will be
17 charged if the erroneous refund is for an amount less than \$500
18 and is due to a mistake of the Department.

19 (f) If a taxpayer has a tax liability for the taxable
20 period ending after June 30, 1983 and prior to July 1, 2002
21 that is eligible for amnesty under the Tax Delinquency Amnesty
22 Act and the taxpayer fails to satisfy the tax liability during
23 the amnesty period provided for in that Act for that taxable
24 period, then the interest charged by the Department under this
25 Section shall be imposed at a rate that is 200% of the rate
26 that would otherwise be imposed under this Section.

1 (g) If a taxpayer has a tax liability for the taxable
2 period ending after June 30, 2002 and prior to July 1, 2009
3 that is eligible for amnesty under the Tax Delinquency Amnesty
4 Act, except for any tax liability reported pursuant to Section
5 506(b) of the Illinois Income Tax Act that is not final, and
6 the taxpayer fails to satisfy the tax liability during the
7 amnesty period provided for in that Act for that taxable
8 period, then the interest charged by the Department under this
9 Section shall be imposed in an amount that is 200% of the
10 amount that would otherwise be imposed under this Section.

11 (h) No interest shall be paid to a taxpayer on any refund
12 allowed under Section 10 of the Tax Delinquency Amnesty Act.

13 (Source: P.A. 95-331, eff. 8-21-07.)

14 (35 ILCS 735/3-3) (from Ch. 120, par. 2603-3)

15 Sec. 3-3. Penalty for failure to file or pay.

16 (a) This subsection (a) is applicable before January 1,
17 1996. A penalty of 5% of the tax required to be shown due on a
18 return shall be imposed for failure to file the tax return on
19 or before the due date prescribed for filing determined with
20 regard for any extension of time for filing (penalty for late
21 filing or nonfiling). If any unprocessable return is corrected
22 and filed within 21 days after notice by the Department, the
23 late filing or nonfiling penalty shall not apply. If a penalty
24 for late filing or nonfiling is imposed in addition to a
25 penalty for late payment, the total penalty due shall be the

1 sum of the late filing penalty and the applicable late payment
2 penalty. Beginning on the effective date of this amendatory Act
3 of 1995, in the case of any type of tax return required to be
4 filed more frequently than annually, when the failure to file
5 the tax return on or before the date prescribed for filing
6 (including any extensions) is shown to be nonfraudulent and has
7 not occurred in the 2 years immediately preceding the failure
8 to file on the prescribed due date, the penalty imposed by
9 Section 3-3(a) shall be abated.

10 (a-5) This subsection (a-5) is applicable to returns due on
11 and after January 1, 1996 and on or before December 31, 2000. A
12 penalty equal to 2% of the tax required to be shown due on a
13 return, up to a maximum amount of \$250, determined without
14 regard to any part of the tax that is paid on time or by any
15 credit that was properly allowable on the date the return was
16 required to be filed, shall be imposed for failure to file the
17 tax return on or before the due date prescribed for filing
18 determined with regard for any extension of time for filing.
19 However, if any return is not filed within 30 days after notice
20 of nonfiling mailed by the Department to the last known address
21 of the taxpayer contained in Department records, an additional
22 penalty amount shall be imposed equal to the greater of \$250 or
23 2% of the tax shown on the return. However, the additional
24 penalty amount may not exceed \$5,000 and is determined without
25 regard to any part of the tax that is paid on time or by any
26 credit that was properly allowable on the date the return was

1 required to be filed (penalty for late filing or nonfiling). If
2 any unprocessable return is corrected and filed within 30 days
3 after notice by the Department, the late filing or nonfiling
4 penalty shall not apply. If a penalty for late filing or
5 nonfiling is imposed in addition to a penalty for late payment,
6 the total penalty due shall be the sum of the late filing
7 penalty and the applicable late payment penalty. In the case of
8 any type of tax return required to be filed more frequently
9 than annually, when the failure to file the tax return on or
10 before the date prescribed for filing (including any
11 extensions) is shown to be nonfraudulent and has not occurred
12 in the 2 years immediately preceding the failure to file on the
13 prescribed due date, the penalty imposed by Section 3-3(a-5)
14 shall be abated.

15 (a-10) This subsection (a-10) is applicable to returns due
16 on and after January 1, 2001. A penalty equal to 2% of the tax
17 required to be shown due on a return, up to a maximum amount of
18 \$250, reduced by any tax that is paid on time or by any credit
19 that was properly allowable on the date the return was required
20 to be filed, shall be imposed for failure to file the tax
21 return on or before the due date prescribed for filing
22 determined with regard for any extension of time for filing.
23 However, if any return is not filed within 30 days after notice
24 of nonfiling mailed by the Department to the last known address
25 of the taxpayer contained in Department records, an additional
26 penalty amount shall be imposed equal to the greater of \$250 or

1 2% of the tax shown on the return. However, the additional
2 penalty amount may not exceed \$5,000 and is determined without
3 regard to any part of the tax that is paid on time or by any
4 credit that was properly allowable on the date the return was
5 required to be filed (penalty for late filing or nonfiling). If
6 any unprocessable return is corrected and filed within 30 days
7 after notice by the Department, the late filing or nonfiling
8 penalty shall not apply. If a penalty for late filing or
9 nonfiling is imposed in addition to a penalty for late payment,
10 the total penalty due shall be the sum of the late filing
11 penalty and the applicable late payment penalty. In the case of
12 any type of tax return required to be filed more frequently
13 than annually, when the failure to file the tax return on or
14 before the date prescribed for filing (including any
15 extensions) is shown to be nonfraudulent and has not occurred
16 in the 2 years immediately preceding the failure to file on the
17 prescribed due date, the penalty imposed by Section 3-3(a-10)
18 shall be abated.

19 (b) This subsection is applicable before January 1, 1998. A
20 penalty of 15% of the tax shown on the return or the tax
21 required to be shown due on the return shall be imposed for
22 failure to pay:

23 (1) the tax shown due on the return on or before the
24 due date prescribed for payment of that tax, an amount of
25 underpayment of estimated tax, or an amount that is
26 reported in an amended return other than an amended return

1 timely filed as required by subsection (b) of Section 506
2 of the Illinois Income Tax Act (penalty for late payment or
3 nonpayment of admitted liability); or

4 (2) the full amount of any tax required to be shown due
5 on a return and which is not shown (penalty for late
6 payment or nonpayment of additional liability), within 30
7 days after a notice of arithmetic error, notice and demand,
8 or a final assessment is issued by the Department. In the
9 case of a final assessment arising following a protest and
10 hearing, the 30-day period shall not begin until all
11 proceedings in court for review of the final assessment
12 have terminated or the period for obtaining a review has
13 expired without proceedings for a review having been
14 instituted. In the case of a notice of tax liability that
15 becomes a final assessment without a protest and hearing,
16 the penalty provided in this paragraph (2) shall be imposed
17 at the expiration of the period provided for the filing of
18 a protest.

19 (b-5) This subsection is applicable to returns due on and
20 after January 1, 1998 and on or before December 31, 2000. A
21 penalty of 20% of the tax shown on the return or the tax
22 required to be shown due on the return shall be imposed for
23 failure to pay:

24 (1) the tax shown due on the return on or before the
25 due date prescribed for payment of that tax, an amount of
26 underpayment of estimated tax, or an amount that is

1 reported in an amended return other than an amended return
2 timely filed as required by subsection (b) of Section 506
3 of the Illinois Income Tax Act (penalty for late payment or
4 nonpayment of admitted liability); or

5 (2) the full amount of any tax required to be shown due
6 on a return and which is not shown (penalty for late
7 payment or nonpayment of additional liability), within 30
8 days after a notice of arithmetic error, notice and demand,
9 or a final assessment is issued by the Department. In the
10 case of a final assessment arising following a protest and
11 hearing, the 30-day period shall not begin until all
12 proceedings in court for review of the final assessment
13 have terminated or the period for obtaining a review has
14 expired without proceedings for a review having been
15 instituted. In the case of a notice of tax liability that
16 becomes a final assessment without a protest and hearing,
17 the penalty provided in this paragraph (2) shall be imposed
18 at the expiration of the period provided for the filing of
19 a protest.

20 (b-10) This subsection (b-10) is applicable to returns due
21 on and after January 1, 2001 and on or before December 31,
22 2003. A penalty shall be imposed for failure to pay:

23 (1) the tax shown due on a return on or before the due
24 date prescribed for payment of that tax, an amount of
25 underpayment of estimated tax, or an amount that is
26 reported in an amended return other than an amended return

1 timely filed as required by subsection (b) of Section 506
2 of the Illinois Income Tax Act (penalty for late payment or
3 nonpayment of admitted liability). The amount of penalty
4 imposed under this subsection (b-10)(1) shall be 2% of any
5 amount that is paid no later than 30 days after the due
6 date, 5% of any amount that is paid later than 30 days
7 after the due date and not later than 90 days after the due
8 date, 10% of any amount that is paid later than 90 days
9 after the due date and not later than 180 days after the
10 due date, and 15% of any amount that is paid later than 180
11 days after the due date. If notice and demand is made for
12 the payment of any amount of tax due and if the amount due
13 is paid within 30 days after the date of the notice and
14 demand, then the penalty for late payment or nonpayment of
15 admitted liability under this subsection (b-10)(1) on the
16 amount so paid shall not accrue for the period after the
17 date of the notice and demand.

18 (2) the full amount of any tax required to be shown due
19 on a return and that is not shown (penalty for late payment
20 or nonpayment of additional liability), within 30 days
21 after a notice of arithmetic error, notice and demand, or a
22 final assessment is issued by the Department. In the case
23 of a final assessment arising following a protest and
24 hearing, the 30-day period shall not begin until all
25 proceedings in court for review of the final assessment
26 have terminated or the period for obtaining a review has

1 expired without proceedings for a review having been
2 instituted. The amount of penalty imposed under this
3 subsection (b-10)(2) shall be 20% of any amount that is not
4 paid within the 30-day period. In the case of a notice of
5 tax liability that becomes a final assessment without a
6 protest and hearing, the penalty provided in this
7 subsection (b-10)(2) shall be imposed at the expiration of
8 the period provided for the filing of a protest.

9 (b-15) This subsection (b-15) is applicable to returns due
10 on and after January 1, 2004 and on or before December 31,
11 2004. A penalty shall be imposed for failure to pay the tax
12 shown due or required to be shown due on a return on or before
13 the due date prescribed for payment of that tax, an amount of
14 underpayment of estimated tax, or an amount that is reported in
15 an amended return other than an amended return timely filed as
16 required by subsection (b) of Section 506 of the Illinois
17 Income Tax Act (penalty for late payment or nonpayment of
18 admitted liability). The amount of penalty imposed under this
19 subsection (b-15)(1) shall be 2% of any amount that is paid no
20 later than 30 days after the due date, 10% of any amount that
21 is paid later than 30 days after the due date and not later
22 than 90 days after the due date, 15% of any amount that is paid
23 later than 90 days after the due date and not later than 180
24 days after the due date, and 20% of any amount that is paid
25 later than 180 days after the due date. If notice and demand is
26 made for the payment of any amount of tax due and if the amount

1 due is paid within 30 days after the date of this notice and
2 demand, then the penalty for late payment or nonpayment of
3 admitted liability under this subsection (b-15)(1) on the
4 amount so paid shall not accrue for the period after the date
5 of the notice and demand.

6 (b-20) This subsection (b-20) is applicable to returns due
7 on and after January 1, 2005.

8 (1) A penalty shall be imposed for failure to pay,
9 prior to the due date for payment, any amount of tax the
10 payment of which is required to be made prior to the filing
11 of a return or without a return (penalty for late payment
12 or nonpayment of estimated or accelerated tax). The amount
13 of penalty imposed under this paragraph (1) shall be 2% of
14 any amount that is paid no later than 30 days after the due
15 date and 10% of any amount that is paid later than 30 days
16 after the due date.

17 (2) A penalty shall be imposed for failure to pay the
18 tax shown due or required to be shown due on a return on or
19 before the due date prescribed for payment of that tax or
20 an amount that is reported in an amended return other than
21 an amended return timely filed as required by subsection
22 (b) of Section 506 of the Illinois Income Tax Act (penalty
23 for late payment or nonpayment of tax). The amount of
24 penalty imposed under this paragraph (2) shall be 2% of any
25 amount that is paid no later than 30 days after the due
26 date, 10% of any amount that is paid later than 30 days

1 after the due date and prior to the date the Department has
2 initiated an audit or investigation of the taxpayer, and
3 20% of any amount that is paid after the date the
4 Department has initiated an audit or investigation of the
5 taxpayer; provided that the penalty shall be reduced to 15%
6 if the entire amount due is paid not later than 30 days
7 after the Department has provided the taxpayer with an
8 amended return (following completion of an occupation,
9 use, or excise tax audit) or a form for waiver of
10 restrictions on assessment (following completion of an
11 income tax audit); provided further that the reduction to
12 15% shall be rescinded if the taxpayer makes any claim for
13 refund or credit of the tax, penalties, or interest
14 determined to be due upon audit, except in the case of a
15 claim filed pursuant to subsection (b) of Section 506 of
16 the Illinois Income Tax Act or to claim a carryover of a
17 loss or credit, the availability of which was not
18 determined in the audit. For purposes of this paragraph
19 (2), any overpayment reported on an original return that
20 has been allowed as a refund or credit to the taxpayer
21 shall be deemed to have not been paid on or before the due
22 date for payment and any amount paid under protest pursuant
23 to the provisions of the State Officers and Employees Money
24 Disposition Act shall be deemed to have been paid after the
25 Department has initiated an audit and more than 30 days
26 after the Department has provided the taxpayer with an

1 amended return (following completion of an occupation,
2 use, or excise tax audit) or a form for waiver of
3 restrictions on assessment (following completion of an
4 income tax audit).

5 (3) The penalty imposed under this subsection (b-20)
6 shall be deemed assessed at the time the tax upon which the
7 penalty is computed is assessed, except that, if the
8 reduction of the penalty imposed under paragraph (2) of
9 this subsection (b-20) to 15% is rescinded because a claim
10 for refund or credit has been filed, the increase in
11 penalty shall be deemed assessed at the time the claim for
12 refund or credit is filed.

13 (c) For purposes of the late payment penalties, the basis
14 of the penalty shall be the tax shown or required to be shown
15 on a return, whichever is applicable, reduced by any part of
16 the tax which is paid on time and by any credit which was
17 properly allowable on the date the return was required to be
18 filed.

19 (d) A penalty shall be applied to the tax required to be
20 shown even if that amount is less than the tax shown on the
21 return.

22 (e) This subsection (e) is applicable to returns due before
23 January 1, 2001. If both a subsection (b)(1) or (b-5)(1)
24 penalty and a subsection (b)(2) or (b-5)(2) penalty are
25 assessed against the same return, the subsection (b)(2) or
26 (b-5)(2) penalty shall be assessed against only the additional

1 tax found to be due.

2 (e-5) This subsection (e-5) is applicable to returns due on
3 and after January 1, 2001. If both a subsection (b-10)(1)
4 penalty and a subsection (b-10)(2) penalty are assessed against
5 the same return, the subsection (b-10)(2) penalty shall be
6 assessed against only the additional tax found to be due.

7 (f) If the taxpayer has failed to file the return, the
8 Department shall determine the correct tax according to its
9 best judgment and information, which amount shall be prima
10 facie evidence of the correctness of the tax due.

11 (g) The time within which to file a return or pay an amount
12 of tax due without imposition of a penalty does not extend the
13 time within which to file a protest to a notice of tax
14 liability or a notice of deficiency.

15 (h) No return shall be determined to be unprocessable
16 because of the omission of any information requested on the
17 return pursuant to Section 2505-575 of the Department of
18 Revenue Law (20 ILCS 2505/2505-575).

19 (i) If a taxpayer has a tax liability for the taxable
20 period ending after June 30, 1983 and prior to July 1, 2002
21 that is eligible for amnesty under the Tax Delinquency Amnesty
22 Act and the taxpayer fails to satisfy the tax liability during
23 the amnesty period provided for in that Act for that taxable
24 period, then the penalty imposed by the Department under this
25 Section shall be imposed in an amount that is 200% of the
26 amount that would otherwise be imposed under this Section.

1 (j) If a taxpayer has a tax liability for the taxable
2 period ending after June 30, 2002 and prior to July 1, 2009
3 that is eligible for amnesty under the Tax Delinquency Amnesty
4 Act, except for any tax liability reported pursuant to Section
5 506(b) of the Illinois Income Tax Act that is not final, and
6 the taxpayer fails to satisfy the tax liability during the
7 amnesty period provided for in that Act for that taxable
8 period, then the penalty imposed by the Department under this
9 Section shall be imposed in an amount that is 200% of the
10 amount that would otherwise be imposed under this Section.

11 (Source: P.A. 92-742, eff. 7-25-02; 93-26, eff. 6-20-03; 93-32,
12 eff. 6-20-03; 93-1068, eff. 1-15-05.)

13 (35 ILCS 735/3-4) (from Ch. 120, par. 2603-4)

14 Sec. 3-4. Penalty for failure to file correct information
15 returns.

16 (a) Failure to file correct information returns -
17 imposition of penalty.

18 (1) In general. Unless otherwise provided in a tax Act,
19 in the case of a failure described in paragraph (2) of this
20 subsection (a) by any person with respect to an information
21 return, that person shall pay a penalty of \$5 for each
22 return or statement with respect to which the failure
23 occurs, but the total amount imposed on that person for all
24 such failures during any calendar year shall not exceed
25 \$25,000.

1 (2) Failures subject to penalty. The following
2 failures are subject to the penalty imposed in paragraph
3 (1) of this subsection (a):

4 (A) any failure to file an information return with
5 the Department on or before the required filing date,
6 or

7 (B) any failure to include all of the information
8 required to be shown on the return or the inclusion of
9 incorrect information.

10 (b) Reduction where correction in specified period.

11 (1) Correction within 60 days. If any failure described
12 in subsection (a) (2) is corrected within 60 days after the
13 required filing date:

14 (A) the penalty imposed by subsection (a) shall be
15 reduced by 50%; and

16 (B) the total amount imposed on the person for all
17 such failures during any calendar year which are so
18 corrected shall not exceed 50% of the maximum
19 prescribed in subsection (a) (1).

20 (c) Information return defined. An information return is
21 any tax return required by a tax Act to be filed with the
22 Department that does not, by law, require the payment of a tax
23 liability.

24 (d) If a taxpayer has a tax liability for the taxable
25 period ending after June 30, 1983 and prior to July 1, 2002
26 that is eligible for amnesty under the Tax Delinquency Amnesty

1 Act and the taxpayer fails to satisfy the tax liability during
2 the amnesty period provided for in that Act for that taxable
3 period, then the penalty imposed by the Department under this
4 Section shall be imposed in an amount that is 200% of the
5 amount that would otherwise be imposed under this Section.

6 (e) If a taxpayer has a tax liability for the taxable
7 period ending after June 30, 2002 and prior to July 1, 2009
8 that is eligible for amnesty under the Tax Delinquency Amnesty
9 Act, except for any tax liability reported pursuant to Section
10 506(b) of the Illinois Income Tax Act that is not final, and
11 the taxpayer fails to satisfy the tax liability during the
12 amnesty period provided for in that Act for that taxable
13 period, then the penalty imposed by the Department under this
14 Section shall be imposed in an amount that is 200% of the
15 amount that would otherwise be imposed under this Section.

16 (Source: P.A. 93-26, eff. 6-20-03.)

17 (35 ILCS 735/3-5) (from Ch. 120, par. 2603-5)

18 Sec. 3-5. Penalty for negligence.

19 (a) If any return or amended return is prepared
20 negligently, but without intent to defraud, and filed, in
21 addition to any penalty imposed under Section 3-3 of this Act,
22 a penalty shall be imposed in an amount equal to 20% of any
23 resulting deficiency.

24 (b) Negligence includes any failure to make a reasonable
25 attempt to comply with the provisions of any tax Act and

1 includes careless, reckless, or intentional disregard of the
2 law or regulations.

3 (c) No penalty shall be imposed under this Section if it is
4 shown that failure to comply with the tax Act is due to
5 reasonable cause. A taxpayer is not negligent if the taxpayer
6 shows substantial authority to support the return as filed.

7 (d) If a taxpayer has a tax liability for the taxable
8 period ending after June 30, 1983 and prior to July 1, 2002
9 that is eligible for amnesty under the Tax Delinquency Amnesty
10 Act and the taxpayer fails to satisfy the tax liability during
11 the amnesty period provided for in that Act for that taxable
12 period, then the penalty imposed by the Department shall be
13 imposed in an amount that is 200% of the amount that would
14 otherwise be imposed in accordance with this Section.

15 (e) If a taxpayer has a tax liability for the taxable
16 period ending after June 30, 2002 and prior to July 1, 2009
17 that is eligible for amnesty under the Tax Delinquency Amnesty
18 Act, except for any tax liability reported pursuant to Section
19 506(b) of the Illinois Income Tax Act that is not final, and
20 the taxpayer fails to satisfy the tax liability during the
21 amnesty period provided for in that Act for that taxable
22 period, then the penalty imposed by the Department under this
23 Section shall be imposed in an amount that is 200% of the
24 amount that would otherwise be imposed under this Section.

25 (Source: P.A. 93-26, eff. 6-20-03.)

1 (35 ILCS 735/3-6) (from Ch. 120, par. 2603-6)

2 Sec. 3-6. Penalty for fraud.

3 (a) If any return or amended return is filed with intent to
4 defraud, in addition to any penalty imposed under Section 3-3
5 of this Act, a penalty shall be imposed in an amount equal to
6 50% of any resulting deficiency.

7 (b) If any claim is filed with intent to defraud, a penalty
8 shall be imposed in an amount equal to 50% of the amount
9 fraudulently claimed for credit or refund.

10 (c) If a taxpayer has a tax liability for the taxable
11 period ending after June 30, 1983 and prior to July 1, 2002
12 that is eligible for amnesty under the Tax Delinquency Amnesty
13 Act and the taxpayer fails to satisfy the tax liability during
14 the amnesty period provided for in that Act for that taxable
15 period, then the penalty imposed by the Department under this
16 Section shall be imposed in an amount that is 200% of the
17 amount that would otherwise be imposed under this Section.

18 (d) If a taxpayer has a tax liability for the taxable
19 period ending after June 30, 2002 and prior to July 1, 2009
20 that is eligible for amnesty under the Tax Delinquency Amnesty
21 Act, except for any tax liability reported pursuant to Section
22 506(b) of the Illinois Income Tax Act that is not final, and
23 the taxpayer fails to satisfy the tax liability during the
24 amnesty period provided for in that Act for that taxable
25 period, then the penalty imposed by the Department under this
26 Section shall be imposed in an amount that is 200% of the

1 amount that would otherwise be imposed under this Section.

2 (Source: P.A. 93-26, eff. 6-20-03.)

3 (35 ILCS 735/3-7.5)

4 Sec. 3-7.5. Bad check penalty.

5 (a) In addition to any other penalty provided in this Act,
6 a penalty of \$25 shall be imposed on any person who issues a
7 check or other draft to the Department that is not honored upon
8 presentment. The penalty imposed under this Section shall be
9 deemed assessed at the time of presentment of the check or
10 other draft and shall be treated for all purposes, including
11 collection and allocation, as part of the tax or other
12 liability for which the check or other draft represented
13 payment.

14 (b) If a taxpayer has a tax liability for the taxable
15 period ending after June 30, 1983 and prior to July 1, 2002
16 that is eligible for amnesty under the Tax Delinquency Amnesty
17 Act and the taxpayer fails to satisfy the tax liability during
18 the amnesty period provided for in that Act for that taxable
19 period, then the penalty imposed by the Department under this
20 Section shall be imposed in an amount that is 200% of the
21 amount that would otherwise be imposed under this Section.

22 (c) If a taxpayer has a tax liability for the taxable
23 period ending after June 30, 2002 and prior to July 1, 2009
24 that is eligible for amnesty under the Tax Delinquency Amnesty
25 Act, except for any tax liability reported pursuant to Section

1 506(b) of the Illinois Income Tax Act that is not final, and
2 the taxpayer fails to satisfy the tax liability during the
3 amnesty period provided for in that Act for that taxable
4 period, then the penalty imposed by the Department under this
5 Section shall be imposed in an amount that is 200% of the
6 amount that would otherwise be imposed under this Section.

7 (Source: P.A. 93-26, eff. 6-20-03.)

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.".